



STATE BOARD OF EQUALIZATION STAFF LEGISLATIVE BILL ANALYSIS

Date Amended:	06/25/02	Bill No:	SB 1843
Tax:	Cigarette and Tobacco Products	Author:	Committee on Budget
Board Position:		Related Bills:	AB 3000 (Assembly Budget Committee)

BILL SUMMARY

This is a budget trailer bill implementing various provisions incorporated into the 2002-03 Budget. Among other things, this bill would define "stamps and meter impressions" to mean the indicia of payment of tax, as required, and include, but are not limited to, stamps, meter impressions, or any other indicia developed using current technology.

ANALYSIS

Current Law

Revenue and Taxation Code Section 30161 (Cigarette and Tobacco Products Tax Law) generally provides that the cigarette tax imposed with respect to the distribution of cigarettes shall be paid by distributors through the use of stamps or meter impressions. Stamps and meter impressions, pursuant to Section 30162, shall be of such designs, specifications and denominations as may be prescribed by the Board. The term "stamps and meter impressions" is not defined under current law.

Proposed Law

Among other things, this bill would add Section 30018 to the Revenue and Taxation Code to define "stamps and meter impressions" to mean the indicia of payment of tax, as required by Section 30161, and include, but are not limited to, stamps, meter impressions, or any other indicia developed using current technology. The Board would be required to prescribe and approve the types of stamps and meter impressions, and the methods of applying stamps and meter impressions to packages of cigarettes.

COMMENTS

1. **Sponsor and purpose.** This bill is sponsored by the author and is intended to clarify that a stamp or meter impression can include basically any type of stamp or meter impression approved by the Board that may be available utilizing current technology.
2. **Provisions would not be problematic to administer.** This measure simply clarifies that a stamp or meter impression can include any type of stamps or meter impressions, including those generated by a technology capable of being read by a scanning or similar device. Enactment of this provision would not materially affect the Board's administration of the cigarette and tobacco products tax law.

This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the Board's formal position.

3. **Related legislation.** This bill contains identical language as AB 3000 (Assembly Budget Committee).

COST ESTIMATE

Enactment of this measure would not have any impact on the Board's administrative costs.

REVENUE ESTIMATE

This measure has no revenue impact.

Analysis prepared by:	Cindy Wilson	916-445-6579	07/05/02
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Contact:	Margaret S. Shedd	916-322-2376
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